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FASF MEMBERSHIP

May 2, 2025

Company name: MINKABU THE INFONOID INC.
Representative: President Masayuki Ban
Listing: Growth Market, Tokyo (4436)
Contact: Executive Officer Yosuke Maeda
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# Notice Regarding the Revision of Consolidated Financial Forecasts

With regard to the net loss attributable to the parent company's shareholders for the current period, which was not disclosed in the "Notice Regarding the Revision of Consolidated Earnings Forecasts and the Withdrawal of the Mid-Term Plan" announced on February 14, 2025, a certain level of review has been completed. We are now able to provide the following update.

１． Revision of consolidated financial forecast

Revision of the consolidated financial forecast figures for the current period (from April 1, 2024, to March 31, 2025).

| | Net Sales | EBITDA | Operating Profit(loss) | Ordinary Profit(loss) | Net income Attributable to owners of the parent | Net income Per share |
|---|---|---|---|---|---|---|
| | in millions of yen | in millions of yen | in millions of yen | in millions of yen | in millions of yen | yen |
| Previous forecasts(A) (Disclosed on Feb. 14, 2025) | 10,600 | (740) | (1,930) | (2,030) | － | － |
| Revised forecasts(B) | 10,600 | (740) | (1,930) | (2,030) | (5,560) | (371.02) |
| Change(B-A) | － | － | － | － | － | － |
| Percentage change(%) | － | － | － | － | － | － |
| （Reference） Actual result (Fiscal year ended March 31, 2024) | 9,920 | 492 | (699) | (790) | (1,180) | (78.84) |

2. Reasons for the Recognition of Net Loss Attributable to the Parent Company's Shareholders for the Current Period.

As announced in the "Notice Regarding the Revision of Consolidated Earnings Forecasts and the Withdrawal of the Mid-Term Plan" dated February 14, 2025, our company has shifted its business strategy from focusing on rapid revenue growth to emphasizing profitability. This includes a complete withdrawal from businesses that require time and additional investment before they can contribute to profits, resulting in cost reductions of over 2 billion yen. As of the beginning of the fiscal year ending March 2026, we are transitioning to a business structure that can generate profits and cash flow.

As part of this, we plan to recognize a special loss of 3,446 million yen in the fourth quarter of the fiscal year ended March 2025, related to business restructuring losses arising from the withdrawal and termination of various businesses and services, impairment losses, and impairment of investment securities. For further details regarding this special loss, please refer to the "Notice of Recognition of Special Loss" published today.

3. Regarding the Transition to a Profit-Generating Business Structure

The cost reduction measures for each business, as announced in the " "Consolidated Financial Results for the Third Quarter of the Fiscal Year Ended December 31, 2024" and the "Q3 FY2025 Earnings Presentation Materials" dated February 14, 2025, have been almost completed, and we have successfully transitioned to a business structure capable of generating profits and cash flow stably from the beginning of the fiscal year ending March 2026. In addition, with the consent of all our partner financial institutions, we have established an additional credit line to support our cash flow and ensure the smooth implementation of structural reforms. If we proceed with fundraising, we will make timely disclosures as necessary.

Regarding the pursuit of expanding scale through increased reach and aggressive investments as outlined in our mid-term plan, we have revised this approach. Through changes in our management structure, withdrawal from unprofitable businesses, and a focus on selective business operations, coupled with efficiency measures totaling over 2 billion yen, we have completed the transition to a business structure capable of generating profits from the beginning of the fiscal year ending March 2026. We sincerely apologize for the concerns and inconvenience caused to our shareholders and stakeholders. However, the fiscal year ending March 2026 will mark a new starting point for the rebuilding of our corporate value, beginning with turning profitable from the first quarter. We will continue to make steady progress and respectfully ask for your ongoing guidance and support.

Additionally, please find attached a document with answers to the questions we have received from our shareholders. We kindly ask you to refer to it.

END

(Attachment)

| Contents of the Questions | Response |
|---|---|
| Is there no issue with cash flow management? | As the cost reduction measures for each business have been almost completed, we have transitioned to a business structure capable of generating profits and cash flow starting from the beginning of the fiscal year ending March 2026. Furthermore, given the continued good relationships with our business partners, the improvement in our recent performance, and following discussions with all of our partner financial institutions, we have secured an additional credit line. |
| There is a note regarding the going concern assumption, but is there an expectation that this will be resolved? | We believe that the note will be resolved when the effect of the steady implementation of cost reduction measures are reflected in our financial performance, and financial adjustments to our medium-term debt repayment planned for the future are in place. |
| Will the net assets be impaired, leading to a negative equity situation (liabilities exceeding assets)? | The extraordinary loss we are projecting will not result in insolvency. In our group, we have implemented cost reductions exceeding 2 billion yen, including an immediate withdrawal from the content business, and have transitioned to a profitable structure starting from the beginning of the fiscal year ending March 2026. Additionally, we maintain a good relationship with our lending financial institutions, and at this stage, we do not anticipate any sudden changes in loan terms or issues related to fundraising. In light of these factors, we expect that our financial situation will continue to improve steadily through appropriate cost control, and we believe that the risk of falling into a state of excess liabilities over assets is low at this time. |
| Are you considering a capital increase? | At this time, there are no plans to conduct a capital increase. We have completed preparations to transition to a business structure capable of generating profits and cash flow starting from the beginning of the fiscal year ending March 2026. Additionally, we continue to maintain good relationships with our business partners, and we anticipate continued support from our financial institutions. Therefore, we do not foresee any significant issues regarding cash flow management.<br>However, if the need arises in the future for business expansion or due to financial strategy considerations, we cannot rule out the possibility of exploring various funding options. In such cases, we will carefully evaluate and make decisions with the highest priority placed on enhancing corporate value and maximizing shareholder value. |
| What will happen with dividends in the future? | For the time being, our top priority is the recovery of shareholders' equity through the establishment of a business structure capable of generating profits. We will focus on expanding retained earnings, ensuring financial soundness, and prioritizing investments for future sustainable growth. As a result, we have made the difficult decision to forgo dividends.<br>On the other hand, we recognize that returning profits to shareholders is one of the key management challenges. In the future, while balancing growth investments, we will also consider the possibility of resuming dividends. Moving forward, we will continue to aim for both the enhancement of corporate value and shareholder returns, carefully considering and implementing appropriate capital policies. |